GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5359
ANSWERED ON:15.05.2007
SURVEY ON SMALL SCALE INDUSTRIES
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Confederation of Indian Industry (CII) has conducted any survey on Small Scale and Medium Scale industries regarding foreign investment in this sector;

(b) if so, the details of the said survey and points discussed;

(c) the reaction of the Government thereto;

(d) whether the Government has formulated any scheme to safeguard the interests of the small scale and medium scale industries after the entry of foreign companies in this sector; and

(e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a)to (c): The 19th Confederation of Indian Industry (CII) Business Outlook survey on policy impact and future scenario for Micro, Small and Medium Enterprises (MSME) during December 2006 − March 2007 aims to capture in a nutshell the general prevailing mood in the MSME sector, while attempting to visualise the future of the Indian enterprises and prioritising key policy initiatives. The principal findings of the survey based on analysis of more than one thousand responses from Micro, Small and Medium Industry members foresee a positive shift in the business situation in the country over the next 5-10 years.

(d) & (e): In the wake of trade liberalisation, the Government has put in place several measures to help MSEs become globally competitive. These include special focus on technology up-gradation, infrastructure assistance through the cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other information technology applications, marketing and timely information dissemination to help the MSEs face the emerging challenges of globalisation. Besides, protection is available in the form of raising customs duties up to the bound levels, imposing anti-dumping duties, taking safeguard measures in case of surge in imports, etc. Further, the Government has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and announced a 'Package for Promotion of MSEs' to facilitate the promotion and development of MSEs and enhancement of their competitiveness.